REMARKS

Claims 1-8, 10, 12-13, 24-28, 30 and 32-33 are now pending in the application. The Examiner is respectfully requested to reconsider and withdraw the rejections in view of the amendments and remarks contained herein.

REJECTION UNDER 35 U.S.C. § 102

Claims 1-8, 10, 12-14, 24-28, 30 and, 32-34 stand rejected under 35 U.S.C. § 102(b) as being anticipated by or, under 35 U.S.C. 103(a) as obvious over Hamano et al. (Hamano, Japanese Patent Document No. 11-288807, cited by Applicants in the IDS submitted July 15, 2003).

Claims 1 and 3 have been amended and rewritten. Claims 1 and 3 now call for an average particle size of the magnetic powder to be in the range of 1-50 µm. This range is supported at page 22, line 25 of the specification as filed. When the magnetic powder is in the claimed range, oxidation of the magnetic powder is prevented, and deterioration of the magnetic properties is prevented during the milling process of the claimed alloy.

Hamano does not teach, suggest, or provide motivation to utilize such an average particle size. Specifically, Hamano merely teaches a flat, leaf-like particle in which a an average long axis diameter of the particle is 60- 500 μ m, an average short axis diameter of the particle is 50-460 μ m, an average thickness of the particle is 3-100 μ m, an average axis ratio is 1.1-10, and an average aspect ratio is 3-100. As such, taking each of these constraints into consideration, Hamano teaches a particle size that is larger than the claimed particle size of 1-50 μ m. That is, Hamano teaches a particle that, at minimum, will have a size larger than the claimed range because the average long axis diameter of the particle (60-500 μ m) will always be larger than the

claimed range (1-50 μ m). Since Hamano does not teach, suggest, or provide motivation to utilize the claimed particle size, it would not have been obvious.

With respect to dependent claims 2, 4-8, 10, 12-14, 24-28, 30, and 32-33, these claims are not obvious for at least the same reasons as their respective independent base claim, addressed above.

REJECTION UNDER 35 U.S.C. § 103

Claims 1-8, 10, 12, 13, 24-28, 30, and 30-34 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Panchanathan (Panchanathan, US Patent No. 5,725,792

As stated above, claims 1 and 3 have been amended to call for an average particle size of the magnetic powder to be in the range of 1-50 µm. Panchanathan does not teach such particle size. Specifically, Panchanathan teaches a particle size of at least 200 µm, which is much greater than the claimed range. As such, Panchanathan does not teach, suggest, or provide motivation to utilize a particle size in the claimed range and, therefore, it would not have been obvious.

With respect to dependent claims 2, 4-8, 10, 12-14, 24-28, 30, and 32-33, these claims are not obvious for at least the same reasons as their respective independent base claim, addressed above.

Reconsideration and withdrawal of this rejection, therefore, is respectfully requested.

CONCLUSION

It is believed that all of the stated grounds of rejection have been properly traversed, accommodated, or rendered moot. Applicants therefore respectfully request that the Examiner reconsider and withdraw all presently outstanding rejections. It is believed that a full and

complete response has been made to the outstanding Office Action, and as such, the present application is in condition for allowance. Thus, prompt and favorable consideration of this amendment is respectfully requested. If the Examiner believes that personal communication will expedite prosecution of this application, the Examiner is invited to telephone the undersigned at (248) 641-1600.

Respectfully submitted,

Dated:

Nov-13, 2003

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GGS/BEW/JAH